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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
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09/324,920 06/03/99 DEGRAAF

J 1960.122

005514 TM02/0328  
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NEW YORK NY 10112

EXAMINER

CALVE, J

ART UNIT

PAPER NUMBER

2164

DATE MAILED: 03/28/01

**Please find below and/or attached an Office communication concerning this application or proceeding.**

**Commissioner of Patents and Trademarks**

# Office Action Summary

Application No.  
09/324,920

Applicant  
DEGRAAF, Jim, et al

Examiner  
Jim Calve

Group Art Unit  
2164



☒ Responsive to communication(s) filed on Jun 3, 1999

☐ This action is **FINAL**.

☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

A shortened statutory period for response to this action is set to expire 3 month(s), or thirty days, whichever is longer, from the mailing date of this communication. Failure to respond within the period for response will cause the application to become abandoned. (35 U.S.C. § 133). Extensions of time may be obtained under the provisions of 37 CFR 1.136(a).

## Disposition of Claims

☒ Claim(s) 1-3 is/are pending in the application.

Of the above, claim(s) \_\_\_\_\_ is/are withdrawn from consideration.

☐ Claim(s) \_\_\_\_\_ is/are allowed.

☒ Claim(s) 1-3 is/are rejected.

☐ Claim(s) \_\_\_\_\_ is/are objected to.

☐ Claims \_\_\_\_\_ are subject to restriction or election requirement.

## Application Papers

☒ See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.

☐ The drawing(s) filed on \_\_\_\_\_ is/are objected to by the Examiner.

☐ The proposed drawing correction, filed on \_\_\_\_\_ is ☐ approved ☐ disapproved.

☒ The specification is objected to by the Examiner.

☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. § 119

☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).

☐ All ☐ Some\* ☐ None of the CERTIFIED copies of the priority documents have been  
☐ received.

☐ received in Application No. (Series Code/Serial Number) \_\_\_\_\_.

☐ received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

\*Certified copies not received: \_\_\_\_\_

☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

## Attachment(s)

☒ Notice of References Cited, PTO-892

☒ Information Disclosure Statement(s), PTO-1449, Paper No(s). 4

☐ Interview Summary, PTO-413

☒ Notice of Draftsperson's Patent Drawing Review, PTO-948

☐ Notice of Informal Patent Application, PTO-152

--- SEE OFFICE ACTION ON THE FOLLOWING PAGES ---

Art Unit: 2164

## DETAILED ACTION

### *Specification*

1. The disclosure is objected to because of the following informalities:
  - a. The reference, at page 5, lines 11-12 of the specification, to a co-pending U.S. patent application should reflect the serial number of the application (e.g., U.S. Application No. 09/323,680, filed June 2, 1999). Appropriate correction is required.

### *Claim Rejections - 35 USC § 112*

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claims 1 and 3 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

- a. Several limitations lack antecedent basis. Examples include:
  - i. "said changed" (claim 1, line 13).
  - ii. "said changed composition" (claim 1, line 14).
  - iii. "said at least one user-defined trading strategies" (claim 3, line 8).

### *Claim Rejections - 35 USC § 102*

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless --

Art Unit: 2164

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371© of this title before the invention thereof by the applicant for patent.

5. Claims 1-3 are rejected under 35 U.S.C. 102(b) as being anticipated by Melnikoff, U.S. patent 5,729,700.

Melnikoff discloses a method and system for portfolio risk management, including defining a portfolio trading strategy and at least one rule (e.g., risk adjusted portfolio return) (e.g., column 5, line 63 et seq; column 9, line 15 et seq), at least one tracked trading instrument and attribute (e.g., library of assets with risk-adjusted return) (e.g., column 6, line 4 et seq; column 16, line 42 et seq; column 18, line 50 et seq), target goal (investor preference data/target value data) (e.g., column 5, line 25 et seq; column 5, line 54 et seq; column 20, line 10 et seq), funding instrument (mutual funds) (e.g., column 20, line 19 et seq), evaluating at least one rule over a time period and changing portfolio composition when test condition is met by simulating trades/ dynamic portfolio (e.g., column 5, line 58 et seq; column 6, line 15 et seq; column 19, line 45 et seq), aggregating engine producing portfolio risk metric (e.g., column 5, line 25 et seq; column 6, line 32 et seq; column 7, line 41 et seq), holdings structure (e.g., portfolio, mutual funds) (e.g., column 7, line 15 et seq), strategy structure with trade manager and rule defined condition (e.g., column 8, line 45 et seq), risk engine (e.g., column 15, line 33 et seq), database (24).

6. Claims 1-3 are rejected under 35 U.S.C. 102(e) as being anticipated by Edesess, U.S. patent 5,884,287.

Art Unit: 2164

Edesess discloses a method and system for portfolio risk management, including defining a portfolio trading strategy with at least one rule (e.g., rate of return), at least one tracked trading instrument and attribute (e.g., asset classes and rate of return) (e.g., column 2, line 65 et seq; column 4, line 30 et seq), target goal (e.g., wealth goal at time  $T_1$ , target/fallback scenarios) (e.g., column 4, line 45 et seq), funding instrument (e.g., savings, retirement plans, inheritances, gifts, securities) (e.g., column 4, line 52 et seq), evaluating at least one rule in each trading strategy for a time of interest for a test condition (e.g., reaching required wealth within a desired probability) (e.g., column 2, line 52 et seq; column 4, line 55 et seq; column 5, line 15 et seq), changing portfolio composition when test condition is met by simulating trades/dynamic portfolio (e.g., column 6, line 49 et seq), and aggregating engine for producing a portfolio risk metric (e.g., probability distribution) (e.g., Figures 5, 6; column 3, line 15 et seq; column 7, line 5 et seq; column 7, line 27 et seq), holdings structure (e.g., various portfolios) (e.g., Figure 5; column 4, line 30 et seq; column 5, line 54 et seq), strategy structure with trade manager altering quantity of instrument (e.g., column 5, line 64 et seq; column 6, line 29 et seq), risk engine (e.g., column 7, line 15 et seq), and database (e.g., Figure 5; column 5, line 64 et seq).

7. Claims 1-3 are rejected under 35 U.S.C. 102(b) as being anticipated by Barr et al, U.S. patent 5,761,442.

Barr et al disclose a method and system for portfolio risk management, including defining a portfolio trading strategy with at least one rule (e.g., rate of return), tracked trading instrument and attribute (e.g., stocks and prices), target goal (e.g., selected index) (e.g., column 5, line 5 et

Art Unit: 2164

seq), funding instrument (e.g., stocks), evaluating at least one rule in each trading strategy over a time period for test condition (e.g., column 13, line 59 et seq), changing portfolio composition when test condition is met by simulating trades/dynamic portfolio (e.g., column 8, line 19 et seq; column 14, line 3 et seq) aggregating engine to produce a portfolio risk metric (e.g., portfolio optimizer to determine optimum rate of return within desired risk spectrum) (e.g., column 7, line 65 et seq; column 13, line 5 et seq), holdings structure (e.g., portfolio), strategy structure with trade manager altering instrument quantity (e.g., rebalancing) (e.g., column 8, line 19 et seq; column 14, line 3 et seq), and risk engine (e.g., 50) (e.g., column 7, line 7 et seq), database (e.g., Figures 1, 2).

8. Claims 1-3 are rejected under 35 U.S.C. 102(e) as being anticipated by French, U.S. patent 6,188,992.

French discloses a method and system for portfolio risk management, including defining a portfolio trading strategy with at least one rule (e.g., investment strategy/portfolio performance 130) (e.g., Figure 4; column 3, line 7 et seq; column 7, line 14 et seq), tracked trading instrument and attribute (e.g., column 4, line 44 et seq; column 5, line 25 et seq), target goal (e.g., optimized portfolio return), funding instrument (e.g., column 5, line 13 et seq; column 8, line 20 et seq), evaluating at least one rule in each trading strategy over a time period for a test condition and changing portfolio composition (e.g., column 1, line 52 et seq; column 3, line 35 et seq; column 7, line 19 et seq), aggregating engine to produce a portfolio risk metric (e.g., column 7, line 57 et seq), holdings structure (stocks, bonds), strategy structure with trade manager (e.g., investment

Art Unit: 2164

agents) (e.g., column 2, line 5 et seq; column 8, line 35 et seq), risk engine (e.g., column 3, line 40 et seq; column 4, line 5 et seq), database (Figures 1, 2; column 1, line 42 et seq).

***Conclusion***

9. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

- a. Garman, U.S. patent 6,122,623.
- b. Jones et al, U.S. patent 6,021,397.
- c. Garman, U.S. patent 5,819,237.
- d. Petruzzi, U.S. patent 5,806,049.
- e. Fernholz, WO 97/22075.

10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jim Calve, whose telephone number is (703) 308-1884. The examiner can normally be reached on Tuesday through Friday from 6:45 am to 6:45 pm. If the examiner is unavailable, the examiner's supervisor, Vincent Millin, may be reached at (703) 308-1065. The fax number for this organization is (703) 305-9051/9052. Any inquiry of a general nature should be directed to the receptionist at (703) 305-3900.

JPC

March 23, 2001

  
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